

Young farmers in Europe: opting for innovation

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Today, young European farmers who take over the family farm face a difficult challenge. They have to work in an increasingly competitive environment under strict regulatory control, and are caught up in a “squeeze” of declining product prices and rising costs. Globalization and trade liberalization have resulted in falling product prices, while the costs of modern farming are high.

“Modernized” farming is heavily dependent on expensive external inputs and technologies. These technologies cause environmental, animal welfare and food safety problems and farmers have to pay for the measures devised by the government to solve them. Meanwhile fixed costs continue to rise, as land prices increase and farmers are obliged to invest, for example, in costly milk quotas (see Box) and the equipment needed for storing and disposing of the vast quantities of manure produced in intensive animal husbandry. An ever-expanding European Union and ongoing WTO negotiations are also adding to their worries.

Milk quotas were introduced by the European Union as a means of curbing excess production of milk and milk products. A farmer is only allowed to produce as much milk as he is entitled to through the quota he has. A quota is attached to the farm, which means that the quota remains with the farm even if the ownership of the farm is changed. The quota, or parts thereof, can be sold or bought if the farmer wishes to change the level of production.

The “squeeze” that has put farm incomes under strong pressure has added to the anxiety of young farmers. Inheriting a farm often means inheriting a heavy financial burden, especially in areas where population is dense or land prices are high. Young farmers start their career with huge debts, work long hours and face an insecure future. This is the reason why many turn their back on farming and look for jobs with secure incomes and fixed working hours.

Strategies

Even so, there are still young women and men who want to stay in farming and many of them adopt innovative approaches to developing and managing their farms. The choices open to them, of course, will depend on the farm: its size, whether it has been well maintained and kept up to date and how far it is affected by rules and regulations designed to protect nature.

In the present European situation, different management strategies are possible. One option is further modernization. Here farmers chose for scale enlargement, specialization and intensification to earn more money. Heavy dependence on external knowledge, inputs and technology is no problem for them, or at least they are prepared to put up with any disadvantages. In the Netherlands, as in many other European countries, this strategy is still regarded the best option by many farmers and has considerable support from government, the agricultural profession generally and from many within young farmers’ organizations.

However, increasing numbers of farmers do not think modernization is the long-term answer. They find it a risky and stressful option and have started to respond to the “squeeze” in other ways. Recent research carried out in six Western European countries – including the Netherlands – shows that more farmers are opting for “multi-functional farming”. In doing so they use farm resources to create new products and services, which they generally sell on the local market. Many of these farmers are young and relatively highly educated. In developing their farms along multi-functional lines they *deepen, broaden* and *re-ground* farm activities. Deepening activities add value to agricultural produce and include on-farm processing, the production of region-specific foods, direct marketing (farm-gate sales, shortening the agricultural chain by selling produce on local and regional markets) and ecological production. Amongst the wide range of broadening-type activities are agro-tourism, (wind) energy production, providing care, nature- and landscape conservation, starting a second, non-agricultural enterprise, or entering into an agreement to preserve and maintain a specific cultural or natural heritage. Finally, re-grounding involves creating new ways of mobilizing and conserving resources within the household such as family members having a job outside the farm, farming in a very economical way or entering economically attractive environmental and regional co-operative agreements. To be successful, these strategies depend on co-operative relations within the farm family and a wide and supportive network of contacts and information.

These three different approaches fit well with the new demands being made on agriculture by European consumers. People want better quality food and safer, more sustainable production. They want to know how their food is produced and they are concerned about preserving the natural beauty of the European countryside.

Multi-functional

Multi-functional farming has already taken hold in many Western European countries. Research carried in the



Photo: Monique van der Laan

“Maas, Rijn and IJssel” cows provide good quality milk and meat.



Lunch for a party at the Beekhoeve Farm. The “Beekhoeve lunch” consists of milk and meat produced at the farm, as well as local cheese.

Netherlands, United Kingdom, Italy, Germany, Spain and Ireland showed that more than 52% of farmers were involved in broadening and/or deepening activities. The proportion of farm families engaged in off-farm activities is even higher. These new farming strategies account for 34% of farm family income in the sector as a whole. At farm level, this percentage can be much higher depending on the number and variety of rural development activities undertaken. Experience shows that these new farming strategies have a positive effect on the local economy and increase the liveability and vitality of the countryside. In this sense multi-functional farming is stimulating rural development in Europe, although impacts vary from country to country depending on underlying ecological, social, political, and rural-urban relations.

Beekhoeve: a small farm with a future

Monique van der Laan and her husband Koos are young farmers who have chosen not to take the modernization pathway. They run a multi-functional dairy farm called *Beekhoeve* in the central Netherlands and besides being farmers, they both take an active part in farmers’ organizations. Monique has chaired the Dutch young farmer’s organization (NAJK) for several years and Koos has worked in both young and mainstream farmers’ organizations. Both still hold committee posts. They find belonging to these organizations important because it keeps them in touch with issues that affect farming.

By Dutch standards, their farm is small as far as milk quota, number of cows and hectares of land are concerned. Yet, they earn a good income. “Through our committee activities we came to realize that farmers are being forced to develop in a particular direction. The world of agricultural education, research, and policy insists that scale enlargement is the only profitable farming strategy and that there is no future for small farms even if they broaden their income generating activities. This is the agro-industrial way of looking at things and we don’t agree. We were brought up on small farms and know their potential. As a

farmer, you must combine your own specific qualities and capacities with the opportunities offered by your farm. *Beekhoeve* shows how a small farm can be profitable. We think the way we farm can be called innovative”.

Monique and Koos have brought together a variety of deepening, broadening and re-grounding strategies to achieve results. They are convinced there are many ways a farming family can generate income. “Today people don’t just want food. They want safe food and a transparent production process. They also want to be able to relax in beautiful countryside. Our farm meets these demands. In addition we are able to get more income out of dairy farming because we farm in a very economical way.”

Deepening and broadening

Monique and Koos began farming ecologically in 1998. It was Monique who recognized the opportunities and encouraged the changeover. Not many on-farm adjustments were needed to convert to ecological production because the *Beekhoeve* was already managing its dairy cattle in an extensive rather than intensive way. Monique and Koos now derive substantial added value from ecological production and each litre of milk produces extra income.

They began by choosing a breed of cow – *Maas, Rijn and IJssel* (MRIJ) – that had both good milking and meat qualities. This created the conditions for a second production line: meat production. Selling (frozen) ecologically produced meat directly from their farm was a third strategy. By avoiding traders and distributors they kept more money in their own pocket. As an extra plus on the income side, they got an EU-premium for working with MRIJ cattle.

The second pillar of their success was Koos’s decision to invest in buildings rather than milk quotas. In the Netherlands, milk production is strictly regulated and farmers have to buy the right

to produce it. Koos thought the quota option was an insecure and expensive investment. Investing in buildings, however, had many advantages including an improved working environment, keeping ahead of government regulations and creating spaces that could be used for other purposes. "Money put in buildings can always be earned back," he explains. "We live in a densely populated part of the Netherlands, and people are always trying to rent or buy buildings. So I adapted the design of our new machinery store and enlarged it and now I rent part of it as storage space."

Monique wanted to develop an enterprise of her own on the farm and she saw the advantages of investing in buildings too. After renovating their old, disused cowshed she started to make money by renting it out for business meetings, family gatherings, courses and other activities. Now, together with the local butcher she provides catering services for these groups. Her extensive network of contacts provides her with a good basis for starting this type of activity.

Monique also wanted to try and bridge the gap between farmers and the public. She believes that farmers need broad social support to survive and, therefore, the public should know and value what farmers have to offer. She writes a weekly column for the local newspaper in which she talks about multi-functional farming and tries to explain why it is in the public interest: "This way of farming offers many opportunities to strengthen the bonds between farmers and citizen, producer and consumer", she says. "We want to show that farming can be much more than producing bulk food".

Monique stresses that she and her husband have also learnt a lot from the people who visit the *Beekhoeve* and the critical questions they ask about the way the farm is managed.

Re-grounding

Working outside the farm and farming economically are practical examples of re-grounding strategy. Monique and Koos do both. Twice a week, Monique does administrative work for five different national boards and commissions dealing with agriculture and rural development issues. Meanwhile, Koos puts farming economically into practice. "By ruling out as much of the market process as possible", he says, "you can increase your influence on the income you earn from a litre of milk".

Farming economically requires careful attention to the supply side as well. This means reducing the amount of bought fodder to a minimum and relying on a fodder ration that consists almost entirely of grass from their own fields. They use their own bulls for breeding; use no fertilizers or chemicals (principles of ecological production) and only very occasionally hire contract workers for jobs like manuring. The concentrates they feed their dairy cattle are made by a small local business according to their own specifications. This careful management of the ecological cycle is crucial to their farm management and leads to a considerable cost reduction. Their clever fodder regime – including a specific grass management and grazing system, a tailor-made concentrate menu, and working with a breed of cow that is well adapted to a high roughage diet – means that their animals get all the nutritional building blocks they need. At the same time, they manage their breeding programme in such a way that they strengthen those characteristics in their dairy herd that are most appropriate for farming conditions at the *Beekhoeve*. While this approach has not led to what the Dutch would call a high milk yield, Monique and Koos have nevertheless achieved their primary objectives: high quality, protein rich milk and healthy cows who have a long life and need little expensive veterinary attention.

Marketing chains

Short marketing chains are essential to the marketing strategies developed at the *Beekhoeve* and this has been achieved by co-operating with local farmers and small entrepreneurs and through farm gate sales. For example, Monique and Koos sell the fine structured autumn grass, which is not very suitable for their cows, to a neighbouring pig farmer. Another neighbour processes some of their milk into ice cream, and the village butcher prepares the meat packages they sell from the farm. In this way, win-win situations are created for all involved. Not only is the local economy strengthened and local co-operation and coherence stimulated, environmentally friendly farming practices also become more sustainable.

Constraints

Developing a multi-functional farm means conditions must be right and, at least in the Netherlands, there are still many obstacles to be overcome. It takes time to develop such a farm and young farmers must take this into account. Labour is a major constraint, particularly as so many broadening and deepening activities require considerable inputs of labour, enthusiasm, and determination. On a family farm, this means that both the husband and the wife have to commit themselves to the farm. This can be a problem for women who "marry into" farm life and who may prefer a career of their own outside farming. Another difficulty is the regulatory system that currently controls Dutch farming. Zoning schemes, for example, that determine whether and where specific agricultural activities can take place, can make it difficult for farmers to broaden into non-agricultural activities or to draw benefits from schemes for managing nature and the landscape.

Many young farmers also lack the information and experience they need to benefit from the potential for new approaches. Building networks, taking part in study groups or innovative farmer's meetings where knowledge and experience are exchanged, and participating in research projects of like-minded experts are some of the ways knowledge gaps can be filled and new approaches discussed.

The future

Koos and Monique have already worked out their plans for the future development of their farm. They intend to become even more independent than they are today. For example, they want to produce all their own fodder and this would be possible if they took over the arable farm belonging to Monique's father. They also want to expand other aspects of farm activities like providing overnight accommodation for visitors and intensifying cooperation with local entrepreneurs. Finally, they are also considering increasing their milk quota slightly.

Monique believes that every region offers opportunities for multi-functional farming. What these opportunities will be depends on the region and the creativity and capacities of young farmers themselves. Their experience at the *Beekhoeve* has made them real ambassadors for multi-functional farming: "Our way of farming gives less worries. We don't farm on the cutting-edge and we are not dependent on the agro-industry. In fact we farm in a very sustainable way".

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